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**ADMITTED IN PENNSYLVANIA ONLY

January 11, 1993

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

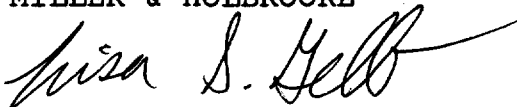
Dear Ms. Searcy:

Enclosed for filing are an original and nine copies of the
Comments of Montgomery County, Maryland in the Matter of
Implementation of Section 8 of the Cable Television Consumer
Protection and Competition Act of 1992, MM Docket 92-263.

Sincerely,

MILLER & HOLBROOKE

By


Lisa S. Gelb

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Enclosures
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Before the
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In the Matter of)
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Implementation of Section 8 of the)
Cable Television Consumer Protection)
and Competition Act of 1992)

Consumer Protection and Customer)
Service)
)

MM Docket No. 92-263

COMMENTS OF MONTGOMERY COUNTY, MARYLAND

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Attorneys for
Montgomery County, Maryland

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In the Matter of

Implementation of Section 8 of the
Cable Television Consumer Protection
and Competition Act of 1992

Consumer Protection and Customer
Service

MM Docket No. 92-263

COMMENTS OF MONTGOMERY COUNTY, MARYLAND

Montgomery County, Maryland ("County") is a community with more than 162,000 cable subscribers. Cable TV Montgomery ("CTM") provides cable service in the County.

The County supports imposing rigorous consumer protection and customer service requirements on cable operators. An issue of particular concern in the County is that cable subscribers receive full and accurate information regarding the cable services they receive and the corresponding rates charged for such services.

At present, CTM provides monthly bills that identify only a lump sum payment, and the portion of the monthly fee that goes toward the cable operator's franchise fee and local programming payments. A sample monthly bill is attached as Exhibit 1. The only time subscribers are provided with an itemized listing of all of the separate service charges that comprise their total monthly bill is at the time of the initial installation of service.

The County is aware that the Cable Television Consumer Protection and Competition Act of 1992 (the "Act") permits cable operators to itemize on subscriber bills the costs of certain payments made under their franchises. The County's concern, however, is that allowing an operator to itemize bills only partially is likely to result in bills that are misleading and harmful to subscribers. Unless the operator itemizes each separate service for which a subscriber is paying, for example, subscribers may unknowingly pay for services they do not want, services they do not in fact receive, or services they thought they had previously cancelled. This is particularly so because subscribers frequently add or drop services and CTM periodically changes rates and programming packages and may pro-rate or overcharge and then credit accounts for various services. Over time, subscribers are no longer able to discern individual charges for the specific service options that comprise their monthly bills. Where bills are not fully itemized, the subscribers cannot identify which services they are being charged for, and cannot adequately determine which of those fees they may be able to, and may wish to, eliminate.

In addition, failing to itemize rates for various services makes it difficult to identify the source of increased rates, particularly where the subscriber does not receive notice of a rate increase, or where the timing of the notice does not coincide with the increase. Likewise, charges for service upgrades or downgrades and for service credits should be

separately delineated. This is even more important in light of the Act's requirement that charges for changes in service must be reasonable.

A standard requirement that cable operators must itemize all services for which subscribers are charged would not be burdensome. Some communities already require detailed bill itemization as part of their customer service standards. In Gillette, Wyoming, for example, the cable operator is required to "itemize each category of service and state clearly the charge therefor." In addition cable operators in many communities voluntarily provide itemized bills.¹ However, should the FCC choose not to impose an itemization requirement, it should recognize that the operator's failure to itemize is an indication that the operator is selling cable as one product. Hence, where an operator fails to itemize, a franchising authority should be able to treat the entire unseparated charge as the basic service rate and regulate that rate.


¹ This type of disclosure requirement is not uncommon. For example, credit reports supplied pursuant to the Truth in Lending Act must contain specific disclosures, including itemized charges of any type, other than finance charges. 12 C.F.R. §266.7(h). Futures commission merchants must submit to customers monthly statements that contain detailed accounting of all financial charges and credits to the customer's account. 17 C.F.R. §1.33(a). Moreover, it is a well-established principle of law that giving only a partial report or taking information out of context may be misleading or even fraudulent. See e.g., Walker v. KFC Corp., 728 F.2d 1215, 1222 (9th Cir. 1984) (a misleading partial disclosure may constitute fraudulent concealment).

Conclusion

The County respectfully asks the Commission to protect consumers by requiring complete itemization of the services provided by the operator on subscribers' cable bills.

Alternatively, to the extent that a cable operator combines charges for regulated and potentially unregulated services in its bills, the entire amount could be deemed to be a single basic service offering, subject to regulation.

Respectfully Submitted,



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Montgomery County, Maryland

EXHIBIT 1

CABLE TV	ACCOUNT NUMBER	BILLED FROM	BILLED TO	DATE DUE	STATEMENT PROCESSING DATE
MONTGOMERY	[REDACTED]	1/08/93	2/07/93	01/22/93	12/31/92

FOR-

12/07	BEGINNING BALANCE	49.31
12/21	PAYMENT	49.31-
12/31	CONV. DEP. REFUND	5.00-
1/08- 2/07	MONTHLY SERVICE	48.30
1/08- 2/07	FRANCHISE FEE 5%	2.42
1/08- 2/07	LOCAL PROGRAM FEE 1.5%	.72
1/07	AMOUNT DUE	46.44

JAN 08 THRU FEB 07, 1993

FOR DETAILED INFORMATION SEE BACK OF BILL

ACCOUNT #	INVOICE DATE	CURRENT	PAST DUE	PLEASE PAY	DUE DATE
[REDACTED]	1/07/93	46.44	.00	46.44	1/22/93

TUNE IN TO LIFETIME ON SUNDAY,
JANUARY 17 AT 8PM EST AND WATCH
CABLE'S BEST. THE 14TH ANNUAL
CABLEACE AWARDS SPECIAL WILL BE
TELEVISED LIVE FROM THE PANTAGES
THEATRE IN HOLLYWOOD.